



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated January 27, 2023)

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<b>Drafting Number:</b>	LLS 23-0446	<b>Date:</b>	March 16, 2023
<b>Prime Sponsors:</b>	Rep. Woodrow; Lindsay Sen. Hinrichsen; Winter F.	<b>Bill Status:</b>	Senate Local Government
		<b>Fiscal Analyst:</b>	Clayton Mayfield   303-866-5851 clayton.mayfield@coleg.gov

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**Bill Topic:** PROHIBITED PROVISIONS IN RENTAL AGREEMENTS

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**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill prohibits written rental agreements from including certain provisions. The bill may minimally impact state and local revenue and expenditures on an ongoing basis.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** This revised fiscal note reflects the reengrossed bill.

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## Summary of Legislation

The bill prohibits written rental agreements from including the following:

- a waiver of the right to a jury trial unless agreed upon in a hearing to determine possession of a dwelling unit;
- a waiver of the ability to bring, join, litigate, or support collective claims and actions;
- a waiver of the implied covenant of good faith and fair dealing;
- a waiver of the implied covenant of quiet enjoyment, except that an agreement may specify that a landlord is not responsible for violations by a third party acting beyond landlord control;
- a provision that purports to affix fees, damages, or penalties for tenants' failure to provide notice of nonrenewal of a rental agreement, except for actual losses incurred by a landlord;
- a provision that defines any amount or fee other than the set monthly payment for occupancy, including utilities and service charges, as "rent," and would allow landlords to collect such fees through rental collection remedies, including eviction;
- a provision that requires tenants to pay for a service billed to landlords by third-party in an amount greater than 2 percent or \$10, but not both; and
- a provision that allows a provider operating under any local, state, or federal voucher or subsidy program to pursue an action for possession based solely on the nonpayment of utilities.

The bill applies to agreements executed on or after the effective date, does not apply to occupancy of a mobile home in a mobile home park, and does not exclude utility costs from inclusion in the calculation of housing costs eligible for reimbursement under any local, state, or federal voucher or subsidy program.

## State Revenue and Expenditures

The bill primarily impacts contracts between private parties. To the extent that disputes arise, state revenue and workload may increase for the Judicial Department as a result of increased civil case filings with the trial courts; however, high compliance with the provisions of the bill is assumed, so any revenue and workload increase would be minimal.

## Local Government

Similar to the state, Denver County Court may have an increase in revenue and workload to the extent that additional cases are filed.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State and Local Government Contacts

Counties

Municipalities

Judicial

Regulatory Agencies

Local Affairs